

David Pritchard, Chair
Department of Journalism and Mass Communications,
University of Wisconsin - Milwaukee
The Expansion of Diversity:
A Longitudinal Study of Local Media Outlets in Five American Communities

The Expansion of Diversity: A Longitudinal Study of Local Media Outlets in Five American Communities

David Pritchard, Professor
Department of Journalism and Mass Communication
University of Wisconsin-Milwaukee
117 Johnston Hall
2522 E. Hartford Ave.
Milwaukee, WI 53211
(414) 229-6408
pritchar@uwm.edu

A study prepared for submission to the Federal Communications Commission, March 2002.

Biographical Note

David Pritchard is a professor at the University of Wisconsin-Milwaukee, where he chairs the Department of Journalism and Mass Communication and serves as senior scholar in the university's Center for Canadian-American Policy Studies.

He received a B.A. degree from the University of Wisconsin-Madison in 1972, an M.A. from Ohio State University in 1976, and his Ph.D. (in mass communications with a minor in law) from the University of Wisconsin-Madison in 1984. He has been a full-time faculty member since 1984, first at Indiana University in Bloomington, and since 1993 at the University of Wisconsin-Milwaukee.

Professor Pritchard is well-known for his empirical studies of various forms of media regulation, for his research on the news media and the criminal justice system, and for his studies of Canadian journalists. His research has been cited not only in major communication journals but also in law journals (e.g., *Yale Law Journal*, *University of Pennsylvania Law Review*), journals that focus on law and social science (e.g., *Law & Society Review*, *Law and Human Behavior*), political science journals (e.g., *American Journal of Political Science*, *American Politics Quarterly*), and journals in the field of public health (e.g., *American Journal of Public Health*, *Regulatory Toxicology and Pharmacology*).

Professor Pritchard has headed the law division of the world's largest association of journalism and mass communication professors, has been a Fulbright research scholar, and has won several awards for teaching and research. His books include *Les journalistes canadiens: Un portrait de fin de siècle* (Presses de l'Université Laval, 1999) and *Holding the Media Accountable: Citizens, Ethics, and the Law* (Indiana University Press, 2000). He has published more than 40 scholarly articles and essays. Before moving into the academic world, Professor Pritchard was a newspaper reporter in Wisconsin for seven years.

His most recent work in the area of media regulation was an empirical study of political news and opinion in jointly-owned newspapers and broadcast stations in three U.S. cities, commissioned by Quebecor Media. Quebecor, one of Canada's largest media companies, submitted the study both to the Canadian Radio-television and Telecommunications Commission (CRTC) and to the Quebec National Assembly. A revised version of the study was published in *Federal Communications Law Journal*.

Professor Pritchard also is a leading scholar of media self-regulation. He has published empirical studies of the effects of press councils, news ombudsmen, and ethics codes. In late 2000 a leading Canadian research center (le Centre d'études sur les médias) commissioned him to prepare a report comparing media self-regulation in Canada and the United States, which was submitted to the CRTC.

The Expansion of Diversity: A Longitudinal Study of Local Media Outlets in Five American Communities

Introduction

In late 2001, the Federal Communications Commission issued a Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking (together, the “Notice”) that sought comment on a variety of issues relating to multiple ownership of radio stations in local markets. Among the issues upon which the Commission requested comment was the effect that consolidation of radio ownership has had on diversity in local markets since the passage of the Telecommunications Act of 1996. The Commission expressed particular interest in empirical data about diversity in local markets.

Historically, the Commission has treated diversity of ownership as a probable indicator of diversity of viewpoints expressed by a broadcast station. Recently, however, the Commission has questioned whether diversity of ownership is a valid proxy for other forms of diversity. The Notice specifically requested empirical data about whether the public in three specific markets -- Syracuse, New York; Rockford, Illinois; and Florence, South Carolina -- has experienced a reduction in diversity in the wake of the Telecommunications Act of 1996 and the consolidation in the radio industry that followed it.

The study reported here responds to the Commission's call for empirical data by providing evidence about increases in outlets for news and information about local events in five American communities (including Syracuse, Rockford, and Florence) from 1942 to early 2002. Of special interest was whether the rate of increase in the number of local media outlets accelerated or slowed in the wake of the Telecommunications Act of 1996.

Policy background

The Telecommunications Act of 1996 required the Commission to revise its rules regarding local radio ownership. Specifically, Section 202(b)(1) of the Act mandated the following rule:

- (a) In a market with 45 or more commercial radio stations, a party may own, operate, or control up to eight commercial stations, not more than five of which can be in the same service (AM or FM);
- (b) In a market with 30 to 44 commercial radio stations, a party may own, operate, or control up to seven commercial stations, not more than four of which can be in the same service (AM or FM);
- (c) In a market with 15 to 29 commercial radio stations, a party may own, operate, or control up to six commercial stations, not more than four of which can be the same service (AM or FM); and

- (d) In a market with 14 or fewer commercial radio stations, a party may own, operate, or control up to five commercial stations, not more than three of which can be in the same service (AM or FM), except that a party may not own, operate, or control more than half of the stations in the market.

As required by the Act, in March 1996 the Commission replaced portions of the local radio ownership rule with the language of Section 202(b) of the statute. The rule has not been changed in the ensuing six years.

In addition to requiring the Commission to adopt the specified rule relating to local radio ownership, the Telecommunications Act also directed the Commission to review all of its ownership rules biennially (including the statutorily mandated radio ownership rules). Section 202(h) of the Act required the Commission to repeal or modify any ownership rules that it concluded were not necessary in the public interest.

Since 1996, the Commission has completed two of the mandated reviews. In each instance, the Commission decided to retain the local radio ownership rule without modification. In the final report of the 2000 biennial review, the Commission expressed a concern that consolidation in the local radio industry might reduce viewpoint diversity despite the fact that the record of the proceeding contained no empirical evidence to support such a view.

On November 9, 2001, the Commission released the Notice mentioned at the beginning of this report. The Notice was intended to initiate a comprehensive

examination of the Commission's rules and policies concerning local radio ownership. Noting that the radio industry had changed substantially since the passage of the Telecommunications Act of 1996, the Commission expressed concern that its policies on local radio ownership did not adequately reflect current industry conditions. "Our framework for analyzing proposed radio combinations particularly has led to unfortunate delays that do not serve well the interests of the agency, the parties, or the public," the Commission said in the Notice. "Our goal in this proceeding is to develop a new framework that will be more responsive to current marketplace realities while continuing to address our core public interest concerns of promoting diversity and competition."¹

Diversity has long been one of the bedrock principles behind the Commission's restrictions on media ownership. The diversity principle has been intended to advance the values of the First Amendment, which, as the Supreme Court stated, "rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public."² As noted earlier in this report, the Commission has tended to focus on diversity of ownership rather than using other measures of media diversity. The Commission has justified the focus on

-
1. Rules and Policies Concerning Multiple Ownership of Radio Broadcast Stations in Local Markets, *Notice of Proposed Rulemaking*, MM Docket No. 01-317, FCC 01-329 (Nov. 9, 2001) [hereinafter *Notice*], para. 19.
 2. *Associated Press v. United States*, 326 U.S. 1, 20 (1945).

ownership by positing that “the greater the diversity of ownership in a particular area, the less chance there is that a single person or group can have an inordinate effect, in a political, editorial, or similar programming sense, on public opinion at the regional level.”³

In the November 2001 Notice, however, the Commission asked for comment on the presumed relationship between diversity of ownership and diversity of viewpoints. Stations under common ownership, the Commission acknowledged, may have a strong commercial incentive to differentiate themselves from their sister stations in any given market.⁴ A typical strategy for an entity that owns multiple radio stations in a local market is to have each commonly owned station serve a distinct audience via distinct programming. In other words, a single owner might have a strong incentive to differentiate outlets under its control through distinct programming.

In contrast, stations under independent ownership may have an incentive to compete with each other for the largest audiences, which could result in a tendency to provide programming similar to that offered by competitors. Diversity of ownership, in other words, could lead to duplication of programming formats.

3. *Amendment of Sections 73.35, 73.240, and 73.636 of the Commission's Rules Relating to Multiple Ownership of Standard, FM, and Television Broadcast Stations, Report and Order*, 45 FCC 1476, 1477 (1964).

4. *Notice*, para. 37.

The Commission's decision to rethink its practice of using ownership diversity as a proxy for viewpoint diversity is consistent with a recently published study that found no evidence of ownership influence on news coverage of the 2000 presidential campaign in commonly owned newspapers and broadcast stations in Chicago, Dallas, and Milwaukee.⁵ That study concluded that "the evidence does not support the fears of those who claim that common ownership of a newspaper and broadcast stations in a community inevitably leads to a narrowing, whether intentional or unintentional, of the range of news and opinions in the community."⁶

The questioning of the connection between diversity of ownership and other forms of diversity comes at a time when citizens in communities across the United States have gained access to a range of outlets for local information and programming that would have been unimaginable when the Commission adopted its first local radio ownership rules in the early 1940s. In 2002, local media content is provided by commercial and non-commercial AM and FM radio stations, commercial and non-commercial television stations (including low-power stations), daily and weekly newspapers, local magazines, PEG cable channels, leased cable access channels that

5. David Pritchard, *A Tale of Three Cities: "Diverse and Antagonistic" Information in Situations of Local Newspaper/Broadcast Cross-Ownership*, 54 Fed. Comm. L.J. 31 (2001).

6. *Id.* at 49.

feature locally oriented programming, and Internet sites featuring news and information of local interest.

Method

The study reported here examined outlet diversity in five American communities at 20-year intervals beginning in 1942, with an additional assessment for 1995, the year before the Telecommunications Act of 1996. The year 1942 was of interest because radio and print were dominant (television was still in its experimental stages) and because it was in the early 1940s that the Commission first adopted rules limiting ownership of broadcast stations. In 1962, radio and television were pervasive but cable was limited to isolated rural areas. In 1982, cable had arrived in a significant number of American households but the Internet was still in the future. In 2002, both cable and the Internet are in a majority of American homes.

The equal, 20-year intervals enable easily understood comparisons of the increases in outlet diversity from one period to the next. We also examined outlet diversity in the communities under study for 1995, the last full year before the enactment of the Telecommunications Act of 1996. We assessed outlet diversity in 1995 to be able to address the important question of whether the rate of increase in outlet diversity accelerated or decelerated after the 1996 Act. The Notice of Proposed Rulemaking specifically sought data relating to this question.

The five communities included in this study are New York, New York; Syracuse, New York; Florence, South Carolina; Rockford, Illinois; and Lisbon, North Dakota. Syracuse, Florence, and Rockford were chosen because the Commission specifically requested empirical data about changes in diversity in those three markets in the wake of the Telecommunications Act of 1996. We also included the nation's largest media market (New York) as well as an isolated rural market (Lisbon, North Dakota) so that we would have information about changes in diversity in very large and very small markets.

Because the number of neighborhood media outlets (as opposed to community-wide media outlets) in a community is to a great extent a function of the number of neighborhoods in the community, we examined only one neighborhood in each community for each year. This required us to identify "typical" neighborhoods for each year under study. We used the most recent census data (e.g., 1960 census data for information about neighborhoods in 1962) to determine the characteristics of a typical household in terms of demographics. The neighborhood selections were then discussed with knowledgeable local informants such as veteran employees in municipal planning departments.

In January 2002, five graduate students with experience in field research were hired and received several hours of training from the principal investigator. Each graduate student was assigned to gather data on one of the communities under study.

The research assistants obtained a considerable amount of information about their assigned communities via the telephone and the Internet before traveling to the communities to gather data about local media in 1942, 1962, 1982, 1995, and 2002. Each research assistant stayed in his or her assigned community for an average of three days, gathering information about local media outlets from media companies, industry directories, libraries, historical societies, old telephone books, long-time community residents, and (for 2002) personal observation.

For each community in each time period, the research assistants attempted to recreate the range of local media outlets readily available to a resident of a typical neighborhood in the community. In all time periods they looked for radio stations, television stations, and print media. Print media included not only newspapers available in the selected neighborhoods but also local magazines, foreign-language newspapers, English-language ethnic, community, or "alternative" publications (i.e., publications aimed principally at an audience defined by race, national origin, age, religion, or political orientation), and newspapers based at institutions of higher education if they circulated in the neighborhood under study. Beginning in 1962 they also looked for evidence of local content on cable systems. By 1982, cable and FM radio proved to be much more important. In 1995 the Internet had arrived, and by 2002 Internet media outlets were fairly numerous.

Rather than rely on indirect sources for information about accessible radio stations in 2002, each research assistant physically visited the target neighborhood in his or her community and listened on car radios to each audible radio station that was considered as a possible channel for locally oriented information or entertainment. Only those stations that carried locally oriented programming of some sort (e.g., local newscasts, concerts, sports events) were retained for the study.

Radio and television stations were coded without regard to whether they came into the home via traditional over-the-air broadcasting, cable, satellite, or even the Internet. If the content of a broadcast station did not vary with the means of transmission, the station was considered to be a single media outlet.

In many cases, media organizations provide additional content via newer technologies. Good examples of this phenomenon are newspaper Internet sites that offer textual, audio, and video material beyond what is provided by the traditional print version of the newspaper. In such cases, the print version of the newspaper was considered one media outlet, the Internet site owned by the newspaper a second media outlet. To obtain a more conservative measure of media diversity, we also computed the 2002 results for each community's distinct media outlets without including Internet sites affiliated with established media organizations.

The results of the analysis are presented in the form of an itemization of the media outlets to which a typical household had access in the years under study, and a

comparison of the rates of increase in the number of media outlets in a community from one time period to the next.

Results: Lisbon

The approximately 2,300 residents of Lisbon, North Dakota, located about 60 miles southwest of Grand Forks,⁷ have not been served by a local daily paper during the past 60 years, as Table 1 shows. The number of non-daily print media that focus on the community has increased only slightly, from six in 1942 to eight in 2002.

TABLE 1. Media outlets in Lisbon, North Dakota, 1942-present.

Year	Daily news-paper	Other print media	AM radio station	FM radio station	B-cast TV station	Local cable chan.	Media Web site	Other Web site	Total media outlets
1942	0	6	4	1	0	0	0	0	11
1962	0	5	8	1	3	0	0	0	17
1982	0	7	9	5	4	0	0	0	25
1995	0	8	10	10	5	1	0	0	34
2002	0	8	10	14	5	1	18	8	64

There has been significant growth in radio stations, however, from four AM and one FM station in 1942 to 10 AM stations and 14 FM stations in 2002. Residents of Lisbon in 2002 also have access to six local television and cable channels as well as to 26

7. U.S. Census, *Profile of General Demographic Characteristics: 2000 -- North Dakota*.

Internet sites, 18 of which are affiliated with traditional media but eight of which are not.

Internet access in Lisbon is available via personal computers in homes and schools. Grade school students as well as high school students have access to the Internet at school. As of January 2002, the public library in Lisbon did not offer access to the Internet. Lisbon residents can access the Internet either via a standard modem or with a faster wireless connection offered by Amerion, a company based in Sioux Falls, South Dakota.

The number of local media outlets in Lisbon grew at a rate of 0.3 per year from 1942 to 1962 (a net gain of six media outlets in the 20-year period). The rate of growth was only slightly higher in the 20-year period from 1962 to 1982 (0.4 new media outlets per year, or a net gain of eight). The most rapid growth was between 1982 and 2002, a period during which the number of media sites available to residents of Lisbon more than doubled (from 25 to 64, a net gain of 39 or a growth rate of 1.95 new media outlets per year).

Within the 1982-2002 period, did the number of local media outlets available in Lisbon grow more quickly from 1982 to 1995, or from 1995 to 2002? In other words, was the rate of growth higher before the passage of the Telecommunications Act of 1996 or after it?

Table 1 shows a net gain of nine media outlets from 1982 to 1995. On average during the 13-year period before passage of the Telecommunications Act, Lisbon gained 0.69 new media outlets annually. The net gain in media outlets from 1995 to 2002 was 30, for an average annual gain of 4.29 media outlets per year in the years immediately following passage of the Telecommunications Act, indicating that the number of outlets available to the residents of Lisbon grew six times faster after the passage of the 1996 Act than in the period immediately preceding it.

Several of the Lisbon media outlets created after 1995 were affiliated with existing media organizations. Some (though not all) of their content was the same as the content of the existing media organizations. Deleting the Internet sites affiliated with established media organizations that serve Lisbon produced a net gain of 12 local media outlets from 1995 to 2002, or an average annual gain of 1.71 media outlets per year. In other words, even a conservative method of counting media outlets in Lisbon reveals that the rate of growth after the Telecommunications Act of 1996 was more than twice the rate of growth in the period before the Act.

Results: Florence

Florence, a city of about 31,000 in northeast South Carolina 60 miles from the Atlantic coast, is the largest city in Florence County and a hub of the seven-county Pee

Dee region of the state.⁸ Florence and the surrounding region comprise the 229th largest metropolitan area in the United States, with a population of about 126,000 people.⁹

As Table 2 shows, in 1942 there were only four local media outlets in Florence. The arrival of television in 1962 helped push the number of local media outlets to seven. By 1982 the community was served by 12 local media outlets. The arrival of the Internet as well as a large increase in the number of radio stations broadcasting to Florence boosted the number of local media outlets in 2002 to 84.

TABLE 2. Media outlets in Florence, South Carolina, 1942-present.

Year	Daily news-paper	Other print media	AM radio station	FM radio station	B-cast TV station	Local cable chan.	Media Web site	Other Web site	Total media outlets
1942	1	1	2	0	0	0	0	0	4
1962	1	1	3	0	2	0	0	0	7
1982	1	2	3	2	4	0	0	0	12
1995	1	6	3	3	6	1	0	0	20
2002	1	10	12	18	7	2	22	12	84

8. U.S. Census, *Profile of General Demographic Characteristics: 2000 -- South Carolina*.

9. Demographia, *US Metropolitan Area Population: 1990-2000*, at <http://www.demographia.com/db-usmet2000.htm>

The public library in Florence was a popular place for people to use the Internet, and the public schools in Florence had an aggressive program to provide Internet access to all students.¹⁰

The rate of increase in local media outlets from 1942 to 1962 in Florence was a modest 0.15 per year (a net gain of three in 20 years). From 1962 to 1982 the average annual gain in media outlets was only 0.25 per year (a net gain of five in 20 years). From 1982 to 2002, however, the average annual gain in local media outlets was 3.60 (a net gain of 72 in a 20-year period).

The rate of gain from 1982 to 1995 was 0.62 per year. After passage of the Telecommunications Act of 1996, the average annual rate of gain in local media outlets for Florence was 9.14 per year (a net gain of 64 media outlets in a seven-year period). When Internet sites affiliated with traditional media organizations are excluded from the calculation, the post-Telecommunications Act rate of gain of 6.00 per year far exceeds the rate of increase in local media outlets in any previous time period. Even this cautious estimate represents a rate of increase almost 10 times higher than the pre-Act rate of 0.62 new media outlets per year.

10. Florence School District One, *Technology in Education Plan 1999-2002*, available at <http://www.fsd1.org/technology/techplan.htm>.

Results: Rockford

Rockford, the second-largest city in Illinois with some 150,000 residents, is located in the north-central part of the state about 70 miles west northwest of Chicago. The Rockford metropolitan area is the 110th largest in the United States, with a population of about 371,000 people.¹¹

Like Lisbon and Florence, Rockford had relatively few local media outlets in 1942. Of the five local media outlets in 1942, Table 3 shows that two were daily papers, one was an AM radio station, and two were non-daily print media.

TABLE 3. Media outlets in Rockford, Illinois, 1942-present.

Year	Daily news-paper	Other print media	AM radio station	FM radio station	B-cast TV station	Local cable chan.	Media Web site	Other Web site	Total media outlets
1942	2	2	1	0	0	0	0	0	5
1962	2	3	4	1	2	0	0	0	12
1982	1	4	5	4	3	2	0	0	19
1995	1	10	4	10	4	2	0	0	31
2002	1	10	4	11	7	2	21	6	62

11. Demographia, *US Metropolitan Area Population: 1990-2000*, at <http://www.demographia.com/db-usmet2000.htm>.

The arrival of television and more radio stations gave Rockford 12 local media outlets in 1962, a number that rose to 19 in 1982 with the arrival of cable and growth in FM stations. In 2002 Rockford had 62 local media outlets, including 21 Internet sites affiliated with established media organizations.

The Rockford Main Library, which offers Internet access to the public, is about a mile and a half from the city neighborhood under study. Three branches of the Rockford library system are within four miles of the neighborhood, and they too offer Internet access.

Rates of growth in local media outlets in Rockford were modest during the first period under study, 1942-1962. There was a net gain of seven media outlets during that period, for an average annual gain of 0.35. That rate remained constant from 1962 to 1982, a period during which there was another net gain of seven local media outlets.

The rate of growth increased from 1982 to 1995, a period with a net gain of 12 media outlets for an average annual gain of 0.92. From 1995 to 2002 the number of local media outlets in Rockford doubled, from 31 to 62. The net gain of 31 in the seven-year period yielded an average annual gain of 4.43 media outlets. About two-thirds of the net gain from 1995 to 2002 was in Internet sites affiliated with established media organizations. Deleting them from the calculation leaves an average annual gain of 1.43 media sites during that period, a rate considerably higher than the rate in the period immediately prior to the Telecommunications Act of 1996.

Results: Syracuse

Syracuse, a city of about 150,000 residents in central New York, is the center of the 73rd largest metropolitan area in the United States. The population of the Syracuse metropolitan area is about 735,000.¹²

Table 4 provides an overview of local media outlets in Syracuse. In 1942 there were three daily newspapers, several non-daily print media, and several AM radio stations. The arrival of FM radio and television by 1962 resulted in a net gain of only three media outlets because the number of non-daily print media outlets declined.

TABLE 4. Media outlets in Syracuse, New York, 1942-present.

Year	Daily news-paper	Other print media	AM radio station	FM radio station	B-cast TV station	Local cable chan.	Media Web site	Other Web site	Total media outlets
1942	3	6	6	0	0	0	0	0	15
1962	3	3	5	4	3	0	0	0	18
1982	3	12	6	8	5	1	0	0	35
1995	3	19	7	15	7	0	0	0	51
2002	2	27	7	28	9	4	47	20	144

12. Demographia, *US Metropolitan Area Population: 1990-2000*, at <http://www.demographia.com/db-usmet2000.htm>.

In 1982 Syracuse had 35 local media outlets, nearly double the number from 20 years earlier. By 1995 the area had 51 media outlets, thanks to sharp increases in FM radio and non-daily print media. In 2002 residents were served by 144 media outlets, almost half of which were Internet-based.

All schools in the city of Syracuse school district have some Internet access. Internet access also is available at local public libraries.

As in the three communities previously discussed, the rate of increase in local media outlets climbed steadily from one period to the next. The average annual gain from 1942 to 1962 was 0.15 media outlets. From 1962 to 1982 the pace had increased to an average of 0.85 new media outlets per year. Between 1982 and 1995, the rate of gain increased again, this time to 1.23 new media outlets annually.

In the years since the passage of the Telecommunications Act, Syracuse gained an average of 13.29 media outlets annually. If Internet sites affiliated with established media organizations are not considered to be distinct media outlets, the rate of gain remains quite high at 6.57 new media outlets per year. In other words, the average annual rate of increase in new media outlets in Syracuse in the period after the enactment of the Telecommunications Act was five to 10 times higher than the rate of increase in the preceding period.

Results: New York

New York is the largest, and perhaps the most diverse, media market in the United States. It is the only community under study that had not only multiple FM stations but also television in 1942, as Table 5 shows. New York residents in 1942 had access to 57 local media outlets.

TABLE 5. Media outlets in New York, New York, 1942-present.

Year	Daily news-paper	Other print media	AM radio station	FM radio station	B-cast TV station	Local cable chan.	Media Web site	Other Web site	Total media outlets
1942	18	18	14	5	2	0	0	0	57
1962	19	32	16	18	8	0	0	0	93
1982	21	56	16	20	20	0	0	0	133
1995	21	80	17	20	20	4	5	3	170
2002	22	94	18	20	22	13	43	12	244

Significant expansion in FM radio, television, and non-daily print media provided the typical New Yorker with access to 93 local media outlets in 1962. By 1982 additional growth in non-daily print media and television gave New Yorkers 133 local media outlets from which to choose. By 1995 the number was 170, including several Internet sites, and in early 2002 the typical New Yorker had access to 244 local

media outlets, including 43 Internet sites affiliated with established media organizations.

Residents of the neighborhood under study had many possibilities for public access to the Internet. All public schools – from elementary to high school – offer Internet access to their students. The local branch of the public library also provides free access to the Internet. High-speed cable modem access is provided to home customers by Time Warner's Road Runner service.

Broadcast television reception is unreliable in New York City because of signal blockage caused by tall buildings. As a result, cable television has a high rate of penetration and usage. The neighborhood under study is served by Time Warner Cable via its digital cable service. Time Warner offers its New York cable subscribers an exclusive 24-hour news channel, "NY1." NY1 covers the city's five boroughs with more than 25 full-time reporters and presents viewers with *original coverage* of New York City news, sports, weather, business and feature stories.

New York gained an average of 1.80 local media outlets annually between 1942 and 1962. The rate increased a bit to an annual gain of 2.00 new media outlets in the period between 1962 and 1982. From 1982 to 1995, the average annual gain in local media outlets was 2.85 in New York. After passage of the Telecommunications Act, the rate of gain increased to 10.57 new media outlets annually (or 4.43 if Internet sites affiliated with established media organizations are not counted). Such gains

demonstrate a sharp post-Telecommunications Act increase in the rate at which new media outlets were created in this media-outlet-rich city.

Conclusion

The data presented in this study make it clear that the number of media outlets focusing on news and information about local events has increased steadily over the years. That the rate of increase has accelerated since the Telecommunications Act of 1996 was passed suggests that the economic consolidation that ensued did not diminish diversity of local media content. The patterns in all of the five communities we studied were similar. In every case, the average annual gain in local media outlets increased modestly from one period to the next through 1995 (i.e., 1942-1962, 1962-1982, and 1982-1995). After the passage of the Telecommunications Act of 1996, the rate at which new local media outlets were created increased sharply in every community. This finding holds true even if Internet sites affiliated with established media organizations are not counted as new media outlets, as Table 6 shows.

TABLE 6. Average annual gain in local media outlets during the time periods under study.

Time period	Lisbon	Florence	Rockford	Syracuse	New York
1942-1962	0.30	0.15	0.35	0.15	1.80
1962-1982	0.40	0.25	0.35	0.85	2.00
1982-1995	0.69	0.62	0.92	1.23	2.85
1995-2002*	4.29 (1.71)	9.14 (6.00)	4.43 (1.43)	13.29 (6.57)	10.57 (4.43)

* The number in parentheses is the average annual gain excluding Internet sites affiliated with established media organizations.

Studies of 60-year periods present a number of methodological challenges. It is next to impossible to recreate the past with perfect accuracy. Although we made every effort to identify every media outlet that met this study's criteria for inclusion, it would be foolish to claim that we were able to track down each and every one. A small number may have been missed. This may be especially true with New York, a community with a vast and ever-changing array of local media outlets.

Despite the possibility of small imperfections in the data, however, the fact remains that the data do not support the view that consolidation in the local radio industry has limited the diversity of local media content available to ordinary Americans. A recent study mentioned earlier in this report found a range of diversity of viewpoints in jointly owned local newspaper/broadcast combinations,¹³ casting doubt on the wisdom of using diversity of ownership as a proxy for viewpoint diversity.

13. Pritchard, *A Tale of Three Cities*, *supra* note 5.

The study presented here further challenges the wisdom of focusing on issues of ownership to attempt to maximize access to diverse media outlets. Media ownership became increasingly concentrated during the 60 years covered by this study, and especially in the years after passage of the Telecommunications Act of 1996, but the number of media outlets providing local content to the studied communities kept growing at an increasing rate.

Appendix 6

**TEMPORAL COMPARISON OF TELEVISION
STATIONS AND CABLE PENETRATION
(1975 to 2001)**

	<u>Television Stations in DMA</u> <u>1975 Data</u> ¹		<u>Television Stations in DMA</u> <u>2000 Data</u> ²		<u>Television Stations in DMA</u> <u>2001 Data</u> ³		<u>Cable Penetration in DMA</u> <u>1975 Data</u> ⁴ <u>2000 Data</u> ⁵ <u>2001 Data</u> ⁶		
Tampa	4 commercial	2 non-commercial	12 commercial	2 non-commercial	12 commercial	2 non-commercial	13%	74%	77%
Roanoke	3 commercial	1 non-commercial	7 commercial	1 non-commercial	7 commercial	1 non-commercial	12%	65%	62%
Tri-Cities	3 commercial	2 non-commercial	6 commercial	2 non-commercial	6 commercial	2 non-commercial	24%	73%	74%
Florence	1 commercial	1 non-commercial	4 commercial	2 non-commercial	4 commercial	2 non-commercial	24%	70%	71%
Columbus	3 commercial	3 non-commercial	5 commercial	2 non-commercial	5 commercial	2 non-commercial	27%	74%	76%
Panama City	2 commercial	0 non-commercial	5 commercial	1 non-commercial	5 commercial	1 non-commercial	27%	65%	68%

¹ 1976 Broadcasting and Cable Yearbook

² 2001 Broadcasting and Cable Yearbook

³ 2002-2003 Broadcasting and Cable Yearbook

⁴ 1976 TV & Cable Factbook

⁵ 2001 Broadcasting and Cable Yearbook

⁶ 2002-2003 Broadcasting and Cable Yearbook

Appendix 7A

Temporal Comparison of Number of Radio Outlets and Radio Owners
1975 to 2001¹

Metro Market	Operating Stations					Owners				
	1975 ²	2000 ³	Change	2001 ⁴	Change	1975 ²	2000 ³	Change	2001 ⁴	Change
Tampa	35	49	↑	48	↓ ⁵	26	27	↑	24	↓ ⁵
Roanoke	25	40	↑	41	↑	20	22	↑	22	↔
Tri-Cities	24	39	↑	43	↑	17	23	↑	27	↑
Florence	9	24	↑	24	↔	7	9	↑	9	↔
Columbus	10	19	↑	21	↑	9	8	↓	9	↑
Panama City	8	20	↑	20	↔	6	7	↑	7	↔

For 2000 and 2001, data includes operating commercial and non-commercial full-power radio stations licensed to communities in the counties or other jurisdictions comprising the Arbitron metro markets, as identified in 2001 and 2003 *Broadcasting & Cable Yearbooks*, and operating full-power commercial stations receiving ratings in such markets, according to *BIA Investing in Radio Market Reports 2001* and 2002.

For 1975, data includes operating commercial and non-commercial full-power radio stations licensed to communities in the counties or other jurisdictions comprising the Arbitron metro markets, according to *Broadcasting Yearbook 1976*. (For consistency, the list of counties and jurisdictions identified in the 2001 *Broadcasting & Cable Yearbook* as comprising the radio metro markets in 2000 was used to define radio metro markets in extracting information from the *Broadcasting Yearbook 1976*.)

¹ The title of this chart was mistakenly listed as the same title as Appendix 7B in Media General's filing in the 2001 *Proceeding*. It has been corrected here.

² *Broadcasting Yearbook 1976*.

³ 2001 *Broadcasting & Cable Yearbook*; *BIA 2001 Radio Market Report*.

⁴ *Broadcasting & Cable Yearbook 2002-2003*; *BIA 2002 Radio Market Report*.

⁵ The number of operating stations changed because the *BIA 2002 Radio Market Report* did not include a station outside the radio metro market that was included in the *BIA 2001 Radio Market Report*. This also decreased the number of owners by one.

Appendix 7B

**Temporal Comparison of Radio Outlets, Owners and Format Diversity
1994 to 2001**

Metro Market	Operating Stations			Owners					Formats				
	1994 ⁶	2000 ⁷	2001 ⁸	1994 ⁶	2000 ⁷	Change	2001 ⁸	Change	1994 ⁶	2000 ⁷	Change	2001 ⁸	Change
Tampa	47	49	48	35	27	↓	24	↓	23	23	↑	27	↑
Roanoke	38	40	41	26	22	↓	22	↔	18	19	↓	18	↓
Tri-Cities	27	39	43	26	23	↓	27	↑	18	18	↔	18	↔
Florence	23	24	24	12	9	↓	9	↔	11	14	↑	13	↓
Columbus	19	19	21	14	8	↓	9	↑	13	15	↑	15	↔
Panama City	18	20	20	12	7	↓	7	↔	14	15	↑	15	↔

For 2000, data includes operating commercial and non-commercial full-power radio stations licensed to communities in the counties or other jurisdictions comprising the Arbitron metro markets, as identified in *2001 and 2002-2003 Broadcasting & Cable Yearbooks*, and operating full-power commercial stations receiving ratings in such markets, according to *BIA Investing in Radio Market Reports 2001 and 2002*.

For 1994, data includes operating commercial and non-commercial full-power radio stations licensed to communities in the counties or other jurisdictions comprising the Arbitron metro markets, as identified in *1995 Broadcasting & Cable Yearbook*, and operating full-power commercial stations receiving ratings in such markets, according to *BIA Investing in Radio Market Report 1995*.

Actual number of formats may be slightly higher due to unspecified programming formats for certain stations in source material.

⁶ 1995 *Broadcasting & Cable Yearbook*; *BIA 1995 Radio Market Report*.

⁷ 2001 *Broadcasting & Cable Yearbook*; *BIA 2001 Radio Market Report*.

⁸ *Broadcasting & Cable Yearbook 2002-2003*; *BIA 2002 Radio Market Report*.

Appendix 8

Percent of Households and Individuals with Internet Access, 2002

Percent of Households with Computers and Internet Access, by State, 2000¹				Internet Use by Percent of State Population, 2002²	
State	Total Households (Number in Thousands)	Percent with Computers	Percent with Internet Access	Total Population, Age 3+ (Number in Thousands)	Percent Who Are Internet Users
Alabama	1,742	44.2	35.5	4,271	43.3 – 49.0
Florida	6,235	50.1	43.2	15,075	50.5 – 53.5
Georgia	3,066	47.1	38.3	7,550	47.7 – 52.8
Kentucky	1,614	46.2	36.6	3,785	50.3 – 56.1
North Carolina	3,047	45.3	35.3	7,200	45.0 – 49.3

¹ U.S. Department of Commerce, Economics and Statistics Administration, National Telecommunications and Information Administration, *Falling Through The Net: Toward Digital Inclusion, A Report on Americans' Access to Technology Tools* (October 2000), available at <http://www.esa.doc.gov>.

² U.S. Department of Commerce, Economics and Statistics Administration, National Telecommunications and Information Administration, *A Nation Online: How Americans Are Expanding Their Use of the Internet* (February 2002), available at <http://www.esa.doc.gov/508/esa/USEconomy.htm>.

Percent of Households with Computers and Internet Access, by State, 2000¹				Internet Use by Percent of State Population, 2002²	
State	Total Households (Number in Thousands)	Percent with Computers	Percent with Internet Access	Total Population, Age 3+ (Number in Thousands)	Percent Who Are Internet Users
South Carolina	1,557	43.3	32.0	3,728	44.6 – 50.7
Tennessee	2,220	45.7	36.3	5,209	49.5 – 55.5
Virginia	2,722	53.9	44.3	6,653	55.7 - 61.2